

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1351 be amended to read as follows:

- 1 Page 9, line 10, after "commissioners" insert "**or county property**
- 2 **tax assessment board of appeal**".
- 3 Page 9, line 15, delete "Before November 1 of".
- 4 Page 9, delete lines 16 through 22.
- 5 Page 9, line 23, delete "(c)".
- 6 Page 9, run in lines 15 through 23.
- 7 Page 9, line 24, delete "property granted an exemption no longer
- 8 meets" and insert "**a not-for-profit entity is no longer eligible for an**
- 9 **exemption**".
- 10 Page 9, line 25, delete "the criteria for the exemption,".
- 11 Page 9, line 25, delete ":" and insert "**inform the county auditor**".
- 12 Page 9, delete lines 26 through 27.
- 13 Page 9, line 33, delete "revocation decision" and insert
- 14 "**determination**".
- 15 Page 10, between lines 1 and 2, begin a new paragraph and insert:
- 16 "SECTION 8. IC 6-1.1-12-18 IS AMENDED TO READ AS
- 17 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 18. (a) If the
- 18 assessed value of residential real property described in subsection (d)
- 19 of this section is increased because it has been rehabilitated, the owner
- 20 may have deducted from the assessed value of the property an amount
- 21 not to exceed the lesser of:
- 22 (1) the total increase in assessed value resulting from the
- 23 rehabilitation; or
- 24 (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.

1 The owner is entitled to this deduction annually for a five (5) year  
2 period.

3 (b) For purposes of this section, the term "rehabilitation" means  
4 **significant** repairs, replacements, or improvements **to an existing**  
5 **structure** which are intended to increase the livability, utility, safety,  
6 or value of the property **and which do not increase the total amount of**  
7 **floor space devoted to residential purposes unless the increase in floor**  
8 **space is required in order to make the building comply with a local**  
9 **housing code or zoning ordinance: under rules adopted by the state**  
10 **board of tax commissioners.**

11 (c) For the purposes of this section, the term "owner" or "property  
12 owner" includes any person who has the legal obligation, or has  
13 otherwise assumed the obligation, to pay the real property taxes on the  
14 rehabilitated property.

15 (d) The deduction provided by this section applies only for the  
16 rehabilitation of residential real property which is located within this  
17 state and which is described in one (1) of the following classifications:

18 (1) a single family dwelling if before rehabilitation the assessed  
19 value (excluding any exemptions or deductions) of the  
20 improvements does not exceed eighteen thousand dollars  
21 (\$18,000);

22 (2) a two (2) family dwelling if before rehabilitation the assessed  
23 value (excluding exemptions or deductions) of the improvements  
24 does not exceed twenty-four thousand dollars (\$24,000); and

25 (3) a dwelling with more than two (2) family units if before  
26 rehabilitation the assessed value (excluding any exemptions or  
27 deductions) of the improvements does not exceed nine thousand  
28 dollars (\$9,000) per dwelling unit.

29 SECTION 9. IC 6-1.1-12-22 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 22. (a) If the  
31 assessed value of property is increased because it has been rehabilitated  
32 and the owner has paid at least ten thousand dollars (\$10,000) for the  
33 rehabilitation, the owner is entitled to have deducted from the assessed  
34 value of the property an amount equal to fifty percent (50%) of the  
35 increase in assessed value resulting from the rehabilitation. The owner  
36 is entitled to this deduction annually for a five (5) year period.  
37 However, the maximum deduction which a property owner may receive  
38 under this section for a particular year is:

39 (1) sixty thousand dollars (\$60,000) for a single family dwelling  
40 unit; or

41 (2) three hundred thousand dollars (\$300,000) for any other type  
42 of property.

43 (b) For purposes of this section, the term "property" means a  
44 building or structure which was erected at least ~~ten (10)~~ **fifty (50)** years  
45 before the date of application for the deduction provided by this  
46 section. The term "property" does not include land.

1 (c) For purposes of this section, the term "rehabilitation" means ~~the~~  
 2 remodeling, repair, or betterment of property in any manner or any  
 3 enlargement or extension of property. However, the enlargement or  
 4 extension of the enclosed floor area of property shall, for computation  
 5 of the deduction, be limited within a five (5) year period to a total  
 6 additional enclosed floor area equal to the size of the enclosed floor  
 7 area of the property on the date of completion of the first extension or  
 8 enlargement completed after March 1, 1973. **significant repairs,**  
 9 **replacements, or improvements to an existing structure that are**  
 10 **intended to increase the livability, utility, safety, or value of the**  
 11 **property under rules adopted by the state board of tax**  
 12 **commissioners.**

13 SECTION 10. IC 6-1.1-28-1 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:  
 15 Sec. 1. Each county shall have a county property tax assessment board  
 16 of appeals composed of individuals who are at least eighteen (18) years  
 17 of age and knowledgeable in the valuation of property. **Except for the**  
 18 **county assessor, an individual who is an officer or employee of a**  
 19 **county or township may not serve on the board of appeals in the**  
 20 **county in which the individual is an officer or employee.** The fiscal  
 21 body of the county shall appoint two (2) individuals to the board. At  
 22 least one (1) of the members appointed by the county fiscal body must  
 23 be a certified level two assessor-appraiser, **unless the county assessor**  
 24 **is a certified level two assessor-appraiser.** The board of  
 25 commissioners of the county shall appoint two (2) freehold members  
 26 so that not more than three (3) of the five (5) members may be of the  
 27 same political party and so that at least three (3) of the five (5)  
 28 members are residents of the county. At least one (1) of the members  
 29 appointed by the board of county commissioners must be a certified  
 30 level two assessor-appraiser, **unless the county assessor is a certified**  
 31 **level two assessor-appraiser.** A person appointed to a property tax  
 32 assessment board of appeals may ~~not~~ serve on the property tax  
 33 assessment board of appeals of another county at the same time. The  
 34 members of the board shall elect a president. The employees of the  
 35 county assessor shall provide administrative support to the property tax  
 36 assessment board of appeals. The county assessor is a voting member  
 37 of the property tax assessment board of appeals. ~~and~~ **The county**  
 38 **assessor** shall serve as secretary of the board. The secretary shall keep  
 39 full and accurate minutes of the proceedings of the board. A majority  
 40 of the board constitutes a quorum for the transaction of business. Any  
 41 question properly before the board may be decided by the agreement  
 42 of a majority of the whole board.

43 SECTION 11. IC 6-1.1-31-5 IS AMENDED TO READ AS  
 44 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The rules  
 45 promulgated by the state board of tax commissioners are the basis for  
 46 determining the true tax value of tangible property.

1 (b) Local assessing officials, members of the county property tax  
2 assessment board of appeals, and county assessors shall:

3 (1) comply with the rules, appraisal manuals, bulletins, and  
4 directives adopted by the state board of tax commissioners;

5 (2) use the property tax forms, property tax returns, and notice  
6 forms prescribed by the board; and

7 (3) collect and record the data required by the board.

8 (c) In assessing tangible property, the township assessors, members  
9 of the county property tax assessment board of appeals, and county  
10 assessors may consider factors in addition to those prescribed by the  
11 state board of tax commissioners if the use of the additional factors is  
12 first approved by the board. Each township assessor, **each member** of  
13 the county property tax assessment board of appeals, and the county  
14 assessor shall indicate on ~~his~~ **the** records for each individual  
15 assessment whether:

16 (1) only the factors contained in the board's rules, forms, and  
17 returns have been considered; or

18 (2) factors in addition to those contained in the board's rules,  
19 forms, and returns have been considered.

20 SECTION 12. IC 6-1.1-31-7 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) With  
22 respect to the assessment of personal property, the rules of the state  
23 board of tax commissioners shall provide for the classification of  
24 personal property on the basis of:

25 (1) date of purchase;

26 (2) location;

27 (3) use;

28 (4) depreciation, obsolescence, and condition; and

29 (5) any other factor that the board determines by rule is just and  
30 proper.

31 (b) With respect to the assessment of personal property, the rules of  
32 the state board of tax commissioners shall include instructions for  
33 determining:

34 (1) the proper classification of personal property;

35 (2) the effect that location has on the value of personal property;

36 (3) the cost of reproducing personal property;

37 (4) the depreciation, including physical deterioration and  
38 obsolescence, of personal property; and

39 (5) the true tax value of personal property based on the factors  
40 listed in this subsection and any other factor that the board  
41 determines by rule is just and proper.

42 (c) In providing for the classification of personal property and the  
43 instructions for determining the items listed in subsection (b), the state  
44 board of tax commissioners shall not include the value of land as a cost  
45 of producing tangible personal property subject to assessment.

46 (d) **The rules of the state board of tax commissioners must**

1 **include instructions for determining the starting point for the**  
 2 **valuation of used depreciable personal property after a sale or**  
 3 **transfer of the property.**

4 (e) With respect to the assessment of personal property, true tax  
 5 value does not mean fair market value. True tax value is the value  
 6 determined under rules of the state board of tax commissioners.

7 SECTION 13. IC 36-2-15-7 IS ADDED TO THE INDIANA CODE  
 8 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
 9 **JANUARY 1, 2001]: Sec. 7. In each county, the county assessor or**  
 10 **an employee of the county assessor must be a certified level 2**  
 11 **Indiana assessor-appraiser.**

12 SECTION 14. IC 36-2-15-8 IS ADDED TO THE INDIANA CODE  
 13 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
 14 **1, 2000]: Sec. 8. (a) A county assessor who becomes a certified level**  
 15 **2 Indiana assessor-appraiser is entitled to a salary increase of one**  
 16 **thousand dollars (\$1,000) after the assessor's certification under**  
 17 **IC 6-1.1-35.5.**

18 (b) A person who is a certified level 2 Indiana  
 19 assessor-appraiser who replaces a county assessor who is not so  
 20 certified is entitled to a salary of one thousand dollars (\$1,000)  
 21 more than the salary of the person's predecessor.

22 (c) An employee of a county assessor who becomes a certified  
 23 level 2 Indiana assessor-appraiser is entitled to a salary increase of  
 24 five hundred dollars (\$500) after the employee's certification under  
 25 IC 6-1.1-35.5.

26 (d) A salary increase under this section comprises a part of the  
 27 county assessor's or employee's base salary for as long as the  
 28 person serves in that position and maintains the level 2  
 29 certification.

30 SECTION 15. IC 36-6-8-6 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) A township  
 32 assessor who becomes a certified level 2 Indiana assessor-appraiser is  
 33 entitled to a salary increase of one thousand dollars (\$1,000) after ~~his~~  
 34 **the assessor's** certification under IC 6-1.1-35.5.

35 (b) A certified level 2 Indiana assessor-appraiser who replaces a  
 36 township assessor who is not so certified is entitled to a salary of one  
 37 thousand dollars (\$1,000) more than ~~his predecessor's~~ **the salary of the**  
 38 **person's predecessor.**

39 (c) An employee of a township assessor who becomes a certified  
 40 level 2 Indiana assessor-appraiser is entitled to a salary increase of  
 41 five hundred dollars (\$500) after the employee's certification under  
 42 IC 6-1.1-35.5.

43 (d) A salary increase under this section comprises a part of the  
 44 township assessor's **or employee's** base salary for as long as ~~he~~ **the**  
 45 **person** serves in that position **and maintains the level 2 certification.**

46 SECTION 16. P.L.6-1997, SECTION 241, IS AMENDED TO

1 READ AS FOLLOWS [EFFECTIVE DECEMBER 30, 1999  
 2 (RETROACTIVE)]: SECTION 241. (a) Notwithstanding IC 5-14-3, a  
 3 sales disclosure form under IC 6-1.1-5.5, as added by this act, is not a  
 4 public record and may only be used by ~~the county land valuation~~  
 5 ~~commission a township assessor~~ or persons acting on behalf of ~~the~~  
 6 ~~county land valuation commission a township assessor~~ for the purpose  
 7 of determining land values under IC 6-1.1-4-13.6 and by the state board  
 8 of tax commissioners or persons acting on behalf of the state board of  
 9 tax commissioners. Information contained on a sales disclosure form  
 10 may not be used in a:

- 11 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,  
 12 IC 6-1.1-14, or IC 6-1.1-15;  
 13 (2) petition for a correction of error under IC 6-1.1-15-12; or  
 14 (3) petition for a refund under IC 6-1.1-26.

15 (b) This SECTION expires December 31, ~~1999~~ **2002**.

16 SECTION 17. P.L.63-1993, SECTION 3, IS AMENDED TO READ  
 17 AS FOLLOWS [EFFECTIVE JULY 1, 1999 (RETROACTIVE)]:  
 18 SECTION 3. (a) The state board of tax commissioners shall conduct a  
 19 study to determine the impact of converting the current property tax  
 20 assessment system to a system based on fair market value. The board  
 21 shall determine the fiscal, legal, and administrative impact on state and  
 22 local government, and the fiscal impact on the owners of the various  
 23 classifications of property in Indiana. A fair market value system is a  
 24 system that analyzes sales of comparable properties, income  
 25 information, and reproduction cost to arrive at the proper valuation of  
 26 property for property tax assessment purposes.

27 (b) The board shall report the design of the study to the general  
 28 assembly on or before December 1, 1993.

29 (c) The board shall collect data from a sufficient sampling of  
 30 various classifications of property throughout Indiana. County officials  
 31 shall cooperate in the study by furnishing data as required by the board.

32 (d) The board shall study the assessing systems, including  
 33 methodology, structure, and procedure, in other states that use a  
 34 property tax assessment system based on fair market value.

35 (e) The board shall perform the study and report the results and the  
 36 board's recommendations for implementation of a property tax system  
 37 based on fair market value to the general assembly on or before  
 38 December 1, 1996.

- 39 (f) The report and data collected in the study may not be used in a:  
 40 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,  
 41 IC 6-1.1-14, or IC 6-1.1-15;  
 42 (2) petition for a correction of error under IC 6-1.1-15-12; or  
 43 (3) petition for refund under IC 6-1.1-26.

44 (g) This SECTION expires December 31, ~~1999~~ **2002**.

45 SECTION 18. **An emergency is declared for this act.** .

46 Renumber all SECTIONS consecutively.

(Reference is to HB 1351 as printed January 21, 2000.)

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Representative Klinker